

ALGERIA



Algeria U.S. foreign assistance to Algeria is designed to help stabilize a country still recovering from a civil war and to counter potential extremist recruitment. In addition, U.S. assistance bolsters Algeria's ongoing fight against Al-Qaeda in the Islamic Maghreb and supports Algerian political and economic reforms.

FOREIGN RELATIONS: Algeria has traditionally practiced an activist foreign policy and in the 1960s and 1970s was noted for its support of Third World policies and independence movements. Algerian diplomacy was instrumental in obtaining the release of U.S. hostages from Iran in 1980. Since his first election in 1999, President Bouteflika worked to restore Algeria's international reputation, traveling extensively throughout the world. In July 2001, he became the first Algerian President to visit the White House in 16 years. He has made official visits to France, South Africa, Italy, Spain, Germany, China, Japan, Portugal, Russia, the United Kingdom, and Latin American countries, among others, since his inauguration.

Algeria has taken the lead in working on issues related to the African continent. Host of the Organization of African Unity (OAU) Conference in 2000, Algeria also was key in bringing Ethiopia and Eritrea to the peace table in 2000. In 2001, the 37th summit of the OAU formally adopted the New Partnership for Africa's Development (NEPAD) to address the challenges facing the continent. Algeria has taken a lead in reviving the Union of the Arab Maghreb with its neighbors.

Since 1976, Algeria has supported the Polisario Front, which claims to represent the population of Western Sahara. Contending that the Sahrawis have a right to self-determination under the UN Charter, Algeria has provided the Polisario with support and sanctuary in refugee camps in the southwestern Algerian province of Tindouf. UN involvement in the Western Sahara includes MINURSO, a peacekeeping force, UNHCR, which handles refugee assistance and resettlement, and the World Food Program (WFP). Active diplomatic efforts to resolve the dispute under the auspices of the United Nations Secretary General are ongoing.

Algeria's support of self-determination for the Polisario is in opposition to Morocco's claim of sovereignty. The dispute remains a major obstacle to bilateral and regional cooperation. Although the land border between Morocco and Algeria was closed in the wake of a terrorist attack in 1994, the two have worked at improving relations, and in July 2004, Morocco lifted visa requirements for Algerians. Algeria reciprocated with the lifting of visa requirements for Moroccans on April 2, 2005. Algeria has friendly relations with its neighbors Tunisia and Libya, and with its sub-Saharan neighbors, Mali and Niger. It closely monitors developments in the Middle East and has been a strong proponent of the rights of the Palestinian people, as well as a supporter of Iraq's democratic transition.

Algeria has diplomatic relations with more than 100 foreign countries, and over 90 countries maintain diplomatic representation in Algiers. Algeria held a nonpermanent, rotating seat on the UN Security Council from January 2004 to December 2005. Algeria hosted 13 Arab leaders at the Arab League Summit, March 22-23, 2005.

U.S.-ALGERIAN RELATIONS: In July 2001, President Bouteflika became the first Algerian President to visit the White House since 1985. This visit, followed by a second meeting in November 2001, a meeting in New York in September 2003, and President Bouteflika's participation at the June 2004 G8 Sea Island Summit, is indicative of the growing relationship between the United States and Algeria. Since the September 11, 2001 terrorist attacks in the United States, contacts in key areas of mutual concern, including law enforcement and counter-terrorism cooperation, have intensified. Algeria publicly condemned the terrorist attacks on the United States and has been strongly supportive of the international war against terrorism. The United States and Algeria consult closely on key international and regional issues. The pace and scope of senior-level visits has accelerated. In April 2006, then-Foreign Minister Bedjaoui met with Secretary of State Condoleezza Rice, and Secretary Rice visited Algiers in September 2008.

In 2007, U.S. direct investment in Algeria totaled \$5.45 billion, mostly in the petroleum sector. American companies also are active in the banking and finance, services, pharmaceuticals, medical facilities, telecommunications, aviation, seawater desalination, energy production, and information technology sectors. Algeria is the United States' second-largest trading partner in the Middle East/North African region. U.S. exports to Algeria totaled \$1.7 billion in 2007, and U.S. imports from Algeria reached \$17.8 billion in 2007, primarily in the form of crude oil. In March 2004, President Bush designated Algeria a beneficiary country for duty-free treatment under the Generalized System of Preferences (GSP).

In July 2001, the United States and Algeria signed a Trade and Investment Framework Agreement, which established common principles on which the economic relationship is founded and forms a platform for negotiating other bilateral agreements. Within the framework of the U.S.-North African Economic Partnership (USNAEP), the United States provided about \$1.0 million in technical assistance to Algeria in 2003. This program supported and encouraged Algeria's economic reform program and included support for World Trade Organization accession negotiations, debt management, and improving the investment climate. In 2003, USNAEP programs were rolled over into Middle East Partnership Initiative (MEPI) activities, which provide funding for political and economic development programs in Algeria.

Cooperation between the Algerian and U.S. militaries continues to grow. Exchanges between both sides are frequent, and Algeria has hosted senior U.S. military officials. In May 2005, the United States and Algeria conducted their first formal joint military dialogue in Washington, DC; the second joint military dialogue took place in Algiers in November 2006, and a third occurred in October 2008. The NATO Supreme Allied Commander Europe and Commander, U.S. European Command, General James L. Jones visited Algeria in June and August 2005, and then-Secretary of Defense Donald Rumsfeld visited Algeria in February 2006. The United States and Algeria have also conducted bilateral naval and Special Forces exercises, and Algeria has hosted U.S. Navy and Coast Guard ship visits. In addition, the United States has a modest International Military Education and Training (IMET) Program (\$824,000 in FY 2006) for training Algerian military personnel in the United States, and Algeria participates in the Trans-Sahara Counter-Terrorism Partnership (TSCTP).

The United States has implemented modest university linkages programs and has placed two English Language Fellows, the first since 1993, with the Ministry of Education to assist in the development of English as a Second Language (ESL) courses at the Ben Aknoun Training Center. In 2006, Algeria was again the recipient of a grant under the Ambassadors' Fund for Cultural Preservation. That fund provided a grant of \$106,110 to restore the El Pacha Mosque in Oran. Algeria also received an \$80,000 grant to

fund micro-scholarships to design and implement an American English-language program for Algerian high school students in four major cities.

Initial funding through the Middle East Partnership Initiative (**MEPI**) has been allocated to support the work of Algeria's developing civil society through programming that provides training to journalists, businesspersons, legislators, Internet regulators, and the heads of leading nongovernmental organizations. Additional funding through the State Department's Human Rights and Democracy Fund will assist civil society groups focusing on the issues of the disappeared, and Islam and democracy.

In August 2005, then-Chairman of the Senate Foreign Relations Committee, Senator Richard G. Lugar, led a Presidential Mission to Algeria and Morocco to oversee the release of the remaining 404 Moroccan POWs held by the Polisario Front in Algeria. Their release removed a longstanding bilateral obstacle between Algeria and Morocco.

The official U.S. presence in Algeria is expanding following over a decade of limited staffing, reflecting the general improvement in the security environment. During the past three years, the U.S. Embassy has moved toward more normal operations and now provides most embassy services to the American and Algerian communities.

Peace and Security: The merger of Algeria's domestic terrorist group with Al-Qaeda at the end of 2006, and the subsequent adaptation of suicide bombings and similar tactics in Algeria, gave strong additional impetus to the U.S. Government to continue to expand its partnership with Algeria in fighting global terrorism. Counter-terrorism programming will continue to be focused on those areas where Algeria's capabilities are less fully developed; for example, in developing anti-bomb capacity, strengthening export control systems, and stopping the flow of terrorism financing. U.S. military training enhances the Algerian military's awareness of international norms of human rights, civilian control of the military, technical training, and English language training. The military training program in Algeria has provided substantial results using modest outlays of funds, while strengthening U.S. ties to a major regional power as it continues to expand its influence in North Africa. The U.S. will continue to expand a new Anti-Terrorist Assistance (ATA) program to provide training to improve the ability of Algerian law enforcement to interdict and prosecute terrorists.

Governing Justly and Democratically: Targeted assistance aimed at strengthening the rule of law, civil society, respect for human rights, capacity among political parties, good governance, and the media will help build a democratic Algeria with strong civic and political institutions. U.S. programs will help provide the political space to demonstrate to Algerians that change is possible without violence. The keystone of this assistance will be a university counter-radicalization program designed to foster ties between U.S. and Algerian university students and professors and to improve curricula and develop job-related skills in Algerian universities in areas of the country at risk of radicalization. Assistance may also go to capacity building in Algeria's judicial system, designed to enhance the technical abilities and independence of that branch of government.

Economic Growth: The United States continues to encourage Algerian efforts to open and integrate Algeria's economy into global and regional economies in order to improve economic growth. Priority is given to reform of Algeria's financial sector environment through technical assistance focused on reform of Algeria's taxation policy and its banking system. The program also seeks to encourage development of a local constituency for Algerian accession to the World Trade Organization. Continued activities reflect a broadening of the overall bilateral relationship.